FILE COPY

Office-Supreme Court, U.S.
FILED
[illegible]

[illegible]

In the Supreme Court of the United States

[illegible]

PEPPERING LEAD PENCIL COMPANY, PETITIONER

v.

ROBERT C. WATSON, COMMISSIONER OF PATENTS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

[illegible],
Assistant Attorney General,
[illegible],
Assistant Attorney General,
[illegible],
[illegible],
Attorneys,
Department of Justice, Washington 25, D. C.

INDEX

	Page
Opinions below	1
Jurisdiction	1
Questions presented	2
Statute involved	2
Statement	2
Argument	8
Conclusion	12

CITATIONS

Cases:	
Amer. Const. Co. v. *Jacksonville Railway Co.*, 148 U. S. 372	8
Boston & Maine R. Co. v. *United States*, 358 U. S. 68	9
Denver v. *New York Trust Co.*, 229 U. S. 123	9
Hamilton Shoe Co. v. *Wolf Bros*, 240 U. S. 251	9
Hill v. *Wooster*, 132 U. S. 693	10, 11
Hoover v. *Coe*, 325 U. S. 79	11
Land v. *Dollar*, 330 U. S. 731	8
Larson v. *Domestic & Foreign Corp.*, 337 U. S. 682	9
Statutes and rules:	
28 U. S. C. 1254 (1)	8
35 U. S. C. 145	2, 11
35 U. S. C. 146	12
Patent Office Rule 201, 37 C. F. R. 1.201	11
Rules of the Court of Customs and Patent Appeals: Rule XXV	6

492885—59

In the Supreme Court of the United States

OCTOBER TERM, 1958

No. 554

PREFORMED LINE PRODUCTS COMPANY, PETITIONER

v.

ROBERT C. WATSON, COMMISSIONER OF PATENTS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

The findings of fact, conclusions of law, and the oral opinion of the United States District Court for the District of Columbia (R. 26–35, 44–53) are unreported. The opinion of the United States Court of Appeals for the District of Columbia Circuit (Pet. App. A1–A3) is reported at 257 F. 2d 664.

JURISDICTION

The judgment of the Court of Appeals was entered on June 26, 1958. A timely petition for rehearing was denied on September 4, 1958. The petition for a writ of certiorari was filed on December 3, 1958. The jurisdiction of this Court is invoked under 28 U. S. C. 1254 (1).

QUESTIONS PRESENTED

1. Whether this Court should exercise its extraordinary power to review a non-final decree by the Court of Appeals, which decree conditionally vacates a District Court order subject to the petitioner's applying to the District Court for a new trial.

2. Whether the District Court has jurisdiction to review *sua sponte* the patentability of claims which the Patent Office rejected for reasons other than non-patentability.

STATUTE INVOLVED

35 U. S. C. 145 provides:

> An applicant dissatisfied with the decision of the Board of Appeals may unless appeal has been taken to the United States Court of Customs and Patent Appeals, have remedy by civil action against the Commissioner in the United States District Court for the District of Columbia if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints. The court may adjudge that such applicant is entitled to receive a patent for his invention, as specified in any of his claims involved in the decision of the Board of Tax Appeals, as the facts in the case may appear and such adjudication shall authorize the Commissioner to issue such patent on compliance with the requirements of law. All the expenses of the proceedings shall be paid by the applicant.

STATEMENT

On May 9, 1945, Bodendieck applied for a patent for a "method and apparatus for wrapping armor wire

on energized conductors". This patent was issued on January 14, 1947 (R. 512). On September 20, 1946, Peterson, the petitioner's assignor, filed a patent application covering "helically-preformed wire envelope and methods of use" (R. 170–188). The claims contained in this application were rejected on May 14, 1947, in part because the method claimed was "clearly disclosed" in the Bodendieck patent (R. 189–191). Peterson thereupon amended his application by adding four claims (claims 26 through 29) copied verbatim from the Bodendieck patent, in order to establish an interference (R. 191–197). The Primary Examiner, however, rejected these claims because they were not supported by Peterson's disclosure (R. 198–199), and adhered to that rejection after Peterson submitted additional argument (R. 199–202). Peterson then appealed ex parte to the Board of Appeals (R. 203–204). While this appeal was pending, Peterson filed a second application, similar to the first, but with a modified disclosure (R. 348–361c). The Primary Examiner declared an interference between the Bodendieck patent and the second Peterson application, and forwarded the case, for inter partes proceedings, to the Examiner of Interferences (R. 364–365).

On July 2, 1948, the Board of Appeals affirmed the rejection by the Primary Examiner of claims 28 and 29 of Peterson's first application, but held that claims 26 and 27 were supported by the disclosure in that application (R. 232–236). Peterson thereupon moved to add claims 26 and 27 of his first application to the interference (R. 437–439), but the Primary Examiner

denied this motion because Peterson had not shown "good cause" for adding the claims (R. 439–441). In addition, the Primary Examiner dissolved the interference on the ground that neither of the disclosures contained in Peterson's first and second applications supported the claims he copied from the Bodendieck patent[1] (R. 439–441; 445–452). Upon reconsideration, pursuant to Peterson's request, the Examiner, while adhering to his original position, decided, "in the interest of expediency to allow the interference to proceed to final hearing * * *" (R. 453–454; 457–459).

On May 23, 1950, the Board of Interference Examiners awarded priority of invention to Bodendieck. It held that (1) the claims which Peterson copied from Bodendieck were not supported by either of Peterson's applications, and (2) Peterson, as junior party, had not carried his burden to show priority of invention,[2] (3) the Board was "not convinced that Peter-

[1] The prior ruling by the Board of Appeals that claims 26 and 27 were supported by the disclosure in Peterson's first application was not binding upon the Examiner in the inter partes interference proceeding because the Board of Appeals decision was part of an ex parte proceeding.

[2] The petitioner reads the Interference Board's decision to imply "that Peterson was probably the first inventor" (Pet. 5), citing R. 476 and 478. The reference on R. 476 is a statement by the Board that, while Peterson's "oral testimony tends to prove that he reduced the method in issue to practice prior to the entry of the senior party into the field * * *", his exhibits suggested that this was untrue. And the reference on R. 478 is an observation by the Board that "[i]n performing the vast number of demonstrations which he alleges he has performed it would be very unusual indeed if he has not performed the method here in issue but if he did perform this method it was accidental and not appreciated."

son appreciated and unequivocally and consistently practiced the method defined in the counts in issue", and (4) Peterson had not proven that Bodendieck derived the invention from Peterson (R. 467–479).

On August 25, 1950, Peterson noted an appeal from the Interference Board's decision in the Court of Customs and Patent Appeals (R. 482–485). His period for filing a petition of appeal and transcript of record was twice extended, the latter extension expiring on December 22, 1950 (R. 486–489). On December 4, 1950, however, Bodendieck executed a statutory disclaimer of his patent rights, and conceded priority of invention to Peterson (R. 489–490). Peterson thereupon moved the Commissioner of Patents to (1) vacate the judgment of the Interference Board awarding priority to Bodendieck and enter judgment for Peterson, (2) remand the Peterson application to the Primary Examiner for ex parte processing for letters patent, and (3) dismiss, with prejudice to Bodendieck, the appeal pending in the Court of Customs and Patent Appeals (R. 490–491). The Assistant Commissioner, however, denied the motion on the ground that, after notice of appeal has been filed with the Court of Customs and Patent Appeals, the Commissioner lacks jurisdiction to dismiss the appeal, or to vacate the judgment of the Interference Board (R. 492). On March 21, 1951, Bodendieck notified the Commissioner that he had withdrawn from the case by disclaimer and concession. He also stated that, although Peterson's time to perfect his appeal had expired three months before, Peterson had taken no steps to perfect (R. 503).

Consequently, on March 28, 1951, pursuant to Rule XXV of the Court of Customs and Patent Appeals, the Commissioner declared that the interference proceedings were terminated and returned the Peterson application to the Primary Examiner (R. 503-504).

The Primary Examiner again rejected the claims which Peterson copied into his first application from Bodendieck. He held that the Interference Board's decision against Peterson became final when Peterson failed to perfect his appeal in the Court of Customs and Patent Appeals and consequently that that decision was res judicata; and that Bodendieck's disclaimer could in no way affect the determination of priority because one of the Board's reasons had been that Peterson's disclosure did not support the copied claims. However, the Examiner did allow seven of the remaining claims of the first application (R. 246-247).[3]

On April 30, 1954, the Board of Appeals affirmed the Primary Examiner's decision for the reasons relied upon by the Examiner, except that it allowed three additional claims in the first application which had been rejected by the Examiner (R. 298-307, 420). At the petitioner's request, the Board reconsidered its determination but adhered to its affirmance of the Examiner's ruling (R. 308-340, 430). On July 29, 1954, the Assistant Commissioner denied the petitioner's petition for review (R. 342, 348).

[3] As to Peterson's second application, the Examiner finally rejected the copied Bodendieck claims because they were not supported by the disclosure. He did not allow any of the claims in this application (R. 418-419).

From that denial, the petitioner instituted this suit against the Commissioner of Patents to compel him to issue to the petitioner a patent covering the various rejected claims. After lengthy hearings (R. 56–170), the court ruled that the decision by the Interference Board was an adjudication for purposes of res judicata, and consequently the decision by the Board of Appeals, affirming the Examiner's rejection of the interference claims, was not clearly erroneous. In addition, the District Court held that the claims at issue showed no novelty and, consequently, that they were in no event patentable (R. 44–53). Accordingly, the District Court dismissed the complaint (R. 24–25).

The Court of Appeals conditionally vacated the District Court's order (Pet. App. A1–A3). It held that the District Court was not in error in raising the issue of patentability *sua sponte*. But, since that issue was not, as such, tried, the court concluded that the petitioner "may have [been] lulled * * * into a sense of security" (Pet. App. A3). Accordingly, "[i]n the interest of justice", the court vacated the District Court order for sixty days, during which time the petitioner could apply to the District Court for a new trial on the issue of patentability (Pet. App. A3). If the District Court were to deny the application, the petitioner could again appeal to the Court of Appeals, unprejudiced by the conditional vacation. On the other hand, if the District Court were to grant the application, its judgment following the new trial could be appealed by the losing party. The District Court's judgment was

be automatically reinstated at the end of the sixty-day period if the petitioner failed to apply for a new trial during that period.

On August 26, 1958, the petitioner moved in the Court of Appeals for a modification of the court's judgment to permit the sixty-day period to run instead from the date that the court disposed of the petitioner's pending petition for rehearing. That motion was granted on August 26, 1958, and the petition for rehearing denied on September 4, 1958. On November 3, 1958, the District Court granted the petitioner's motion to compute the sixty-day period for applying for a new trial from the date that this Court disposes of the case.

ARGUMENT

1. By its own terms, the judgment of the Court of Appeals was not final. Rather, the District Court's judgment was conditionally vacated in order to permit the petitioner to apply to that court for a new trial. And the time for applying for a new trial has been extended by the District Court until after this Court has disposed of the case. Accordingly, the decree of the Court of Appeals remains interlocutory.

While 28 U. S. C. 1254 (1) permits this Court to review non-final judgments, it is well established that this power will be exercised only where "it is necessary to prevent extraordinary inconvenience and embarrassment in the conduct of the cause" (*Amer. Const. Co.* v. *Jacksonville Railway Co.*, 148 U. S. 372, 384), or an issue is involved which is "fundamental to the further conduct of the case." *Land* v. *Dollar*, 330

U. S. 731, 734; *Larson* v. *Domestic & Foreign Corp.*, 337 U. S. 682, 685. Consequently, the power "is intended to be and is sparingly exercised". *Denver* v. *New York Trust Co.*, 229 U. S. 123, 133. See also *Hamilton Shoe Co.* v. *Wolf Bros.*, 240 U. S. 251, 258; *Boston & Maine R. Co.* v. *United States*, 358 U. S. 68.

The only reason advanced by the petitioner for applying to this Court, before the judgment of the court below becomes final, is that the District Court lacks jurisdiction to pass upon the novelty of the subject matter of the petitioner's patent application. But, even if the petitioner's jurisdictional argument were correct (which we deny), the petitioner will in no way be prejudiced by applying for a new trial since that contention can be asserted again when the judgment of the District Court is again reviewed by the Court of Appeals. And, of course, after final judgment by the Court of Appeals, the petitioner will then again be able to apply to this Court for a writ of certiorari. *Hamilton Shoe Co.* v. *Wolf Bros.*, 240 U. S. 251, 258. Consequently, review by this Court, at this time, is clearly unwarranted.

2. (a) The District Court sustained the rejection by the Patent Office of the petitioner's disallowed claims on the alternative grounds that (1) the unappealed decision of the Board of Patent Interferences rejecting certain of those claims was res judicata, and (2) none of the claims, rejected by the Patent Office, was novel and therefore none was patentable. The petitioner, however, raises objections, at this time, only to the second of the alternative grounds; *i. e.*, he contends

that the District Court lacked jurisdiction to review the patentability of claims which were rejected for reasons other than an absence of novelty. Thus he does not now contest the District Court's holding that the unappealed rejection by the Board of Patent Interferences of the critical claims involved in this litigation (those which were copied from the Bodendieck patent) was *res judicata*. There is, therefore, clearly no necessity for this Court to review this judgment as to those claims.

(b) Moreover, further review by this Court of the limited remaining question is not warranted for the District Court clearly had jurisdiction to review the patentability of the balance of the rejected claims which had been disallowed by the Patent Office for reasons other than res judicata.

The petitioner concedes that, in inter partes cases, the District Court has jurisdiction, and, indeed, an obligation, to review, *sua sponte*, the patentability of the subject matter of the patent application (Pet. 12). It contends, however, that where the proceedings are ex parte, the court lacks that power. This asserted distinction, finds no support either in the patent statutes or the decisions of this, or any other, Court.

In *Hill* v. *Wooster*, 132 U. S. 693, this Court stated that "neither the Circuit Court nor this Court can overlook the question of patentability" even though "the parties appear to have been willing to ignore * * * [that] question * * *". *Id.* at 698. Consequently, despite the fact that the parties limited the issue in that case to priority, it nevertheless was in-

cumbent upon the courts to review the patentability for "[i]t necessarily follows that no adjudication can be made in favor of the applicant, unless the alleged invention for which a patent is sought is a patentable invention". *Ibid.*

The petitioner contends, though, that *Hill* v. *Wooster* is not controlling because that case concerned an inter partes interference proceeding, while the present litigation involves an ex parte suit to compel the issuance of a patent.[4] The supposed rationale for this purported distinction is that the court must act as "stand in" for the Commissioner, as the protector of the public interest, in inter partes proceedings, since in such cases the Commissioner is not a party to the litigation (Pet. 15). The short answer to this, though, is that while the Commissioner is not a party to interference litigation, he must rule that the subject matter of each of the competing claims is patentable before interference can come into being (Patent Office Rule 201, 37 C. F. R. 1.201). And, consequently, there is no less reason in ex parte actions than in interference proceedings for the court to be able to review *sua sponte* the patentability of the subject matter of the application.

Lastly, the petitioner contends that the terms of 35 U. S. C. 145 restrict the jurisdiction of the Dis-

[4] *Hoover* v. *Coe*, 325 U. S. 79, upon which the petitioner strongly relies, does not limit *Hill* v. *Wooster*, *supra*, to inter partes proceedings. Rather, in the *Hoover* case, this Court held only that the District Court has jurisdiction to entertain suits to compel the Commissioner to issue a patent even though the judgment of the court would not "conclude all possible questions as to the right to a patent". *Id.* at 82.

trict Court solely to those elements of the decision by the Patent Office Board of Appeals with which the applicant is "dissatisfied" (Pet. 9). This argument, is obviously untenable since the petitioner concedes that, in interference proceedings pursuant to 35 U. S. C. 146, the court may, *sua sponte*, review the patentability of the subject matter of any of the interfering claims. Yet, Section 146, identically with Section 145, authorizes a civil action by an applicant who is "dissatisfied with the decision * * *" of the Patent Office.

CONCLUSION

For the foregoing reasons, we respectfully submit that the petition for a writ of certiorari should be denied.

J. LEE RANKIN,
Solicitor General.
GEORGE COCHRAN DOUB,
Assistant Attorney General.
SAMUEL D. SLADE,
SETH H. DUBIN,
Attorneys.

JANUARY 1958.

U. S. GOVERNMENT PRINTING OFFICE: 1958